

ALCOHOL FUNDING FOR LOCAL GOVERNMENTS: HISTORY, PURPOSE AND PROCESS

Legislation 1983	The Utah Legislature passed S.B. 109 – Liquor Law Enforcement Amendments , sponsored by Senator Fred W. Finlinson. This law raised the tax on beer from \$4.12 to \$11.00 per 31-gallon barrel, and provided for an appropriation of up to \$4.35 million (cap) in new funds annually to Utah’s municipalities (cities and towns) and counties for purposes of alcohol-related law enforcement, prosecution, education/prevention and treatment programs.
1999	The Utah Legislature passed H.B. 18 – Funding Formula for Alcohol Offenses Enforcement , sponsored by Representative Nora B Stephens. This bill directed all municipalities and counties receiving the alcohol funds to submit an annual report to the USAAV Council by October 1 of each year. <i>(Note: By a subsequent majority vote of the USAAV Council, an exemption to the annual reporting requirement was granted to all communities receiving less than \$1,000 in the annual distribution.)</i> The annual report determines how the funding is being used and whether the funds are being used in compliance with the statute. H.B. 18 also authorized the USAAV Council to suspend funding for any municipality or county that does not submit a report, to cancel the suspension upon receipt of a report, and to award any funds made available through suspension to any eligible county or municipality or the Utah Department of Public Safety.
2003	The Utah Legislature passed S.B. 66 – Alcoholic Beverage Enforcement and Treatment , sponsored by Senator Michael G. Waddoups. This bill increased the beer tax from \$11.00 to \$12.80 per 31-gallon barrel; created a restricted account in the General Fund entitled the “ Alcoholic Beverage Enforcement and Treatment Restricted Account ”; and provided for incremental increases in the amount to be placed in the restricted account over several years, until the account reached \$4.35 million (the original funding cap) in Fiscal Year 2007, and <i>the greater of 40% of the total tax revenue collected or \$4.35 million</i> beginning in Fiscal Year 2008.
2007	The Utah Legislature passed S.B. 51 – Alcoholic Beverage Enforcement and Treatment Restricted Account Amendments , by Senator Michael G. Waddoups. This bill expanded the list of state agencies that can be awarded grants from suspended funds by the USAAV Council to include the Department of Alcoholic Beverage Control, the Department of Human Services, and the Utah State Office of Education.
Funding Formula	Funding from the Alcoholic Beverage Enforcement and Treatment Restricted Account is distributed annually by the Tax Commission to all Utah municipalities and counties according to the following formula prescribed in statute:

- 25% to municipalities and counties based upon the percentage of the state population residing in each municipality and county;
- 30% to municipalities and counties based upon each municipality's and county's percentage of the statewide convictions for all alcohol-related offenses;
- 20% to municipalities and counties based upon the percentage of all state stores, package agencies, liquor licensees, and beer licensees in the state that are located in each municipality and county; and
- 25% to the counties for authorized confinement and treatment purposes based upon the percentage of state population located in each county.

Appropriations History

The following is a history of the funding amounts appropriated by the Utah Legislature and distributed by the Tax Commission to Utah's municipalities and counties:

Fiscal Year	Appropriation
1984 – 1985	\$4,350,000
1986	\$4,250,000
1987	\$4,306,500
1988 – 1993	\$4,089,000
1994 – 1997	\$3,909,000
1998 – 2001	\$2,609,000
2002	\$1,530,100
2003	\$0
2004	\$2,712,500
2005	\$3,133,700
2006	\$3,741,900
2007	\$4,350,000
2008	\$4,984,800
2009	\$5,425,600
2010 – 2011	\$5,622,600

Use of Funds in FY 2009

In Fiscal Year 2009, Utah's municipalities and counties utilized their alcohol funds as follows:

- DUI law enforcement – 53%,
- General alcohol-related law enforcement – 54%,
- Prosecution/court costs for alcohol-related cases – 25%,
- Treatment of alcohol problems – 4%,
- Alcohol-related education/prevention – 40%, and
- Confinement of alcohol law offenders – 9.2%.

Note: Municipalities and counties may use alcohol funds for more than one purpose.